GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3233
ANSWERED ON:21.12.2004
RISE IN PRICES OF PLASTIC RAW MATERIAL
Bishnoi Shri Kuldeep

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

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(a) whether the Government is aware that plastic units in the country particularly in Faridabad are facing closure due to arbitrary increase in prices of raw material by the Reliance Industries and Indian Petrochemicals Limited;

(b) whether the Government proposes to intervene in the matter to save small plastic manufacturing units;

(c) if so, the details thereof; and

(d) the steps taken by the Government to check the steep hike in the cost of raw material of plastic units ?

Answer

MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) to (d): Plastic Processing units were facing hardships due to increase in prices of the raw materials. However, no Plastic Unit was closed in Haryana on account of price rise of raw materials. Plastic raw materials, namely, Polymers, are freely traded material and their imports are under Open General Licence (OGL). As such, the

prices of Polymer materials are generally governed by International Price Trends. The prices of Polymers are not regulated by the Government. The prices of crude in the International Market increased considerably during the past few months which affected the prices of raw materials for Plastic Units also. In order to mitigate the hardships faced by the Polymer manufacturers and to check their prices, the Government reduced the import duty on Naphtha from 10% to 5% for the manufacture of Polymers. The duty on Polymers was also reduced from 20% to 15%, vide Notification dated 30th September, 2004.